



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

5/049/052

Jon M. Huntsman, Jr.
Governor

Kevin S. Carter
Director

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June 28, 2005

Ken Nielson
Nielson Construction
P.O. Box 620
Huntington, UT 84528

RE: Proposed Limestone Mine in Utah County

Dear Mr. Nielson:

Over the past few weeks this office has received a copy of a surface use agreement, a mining plan and a reclamation plan submitted by Nielson Construction, Chimney Rock Resources, or Powell Rock to open a small limestone mine in Section 32, T11S, R9E, SLB&M, Utah County. The surface of this section is privately owned, but the mineral estate, including the limestone mineral resource, is owned by the State of Utah and administered by the School and Institutional Trust Lands Administration.

No mineral lease or permit for limestone is presently active or has been newly issued or approved by the Trust Lands Administration upon any part of said Section 32. The mining and reclamation plans recently submitted for the property are therefore not accepted and have not been reviewed or approved by the Trust Lands Administration. Neither Nielson Construction, Chimney Rock Resources, Powell Rock nor any other party presently has a legal right to enter upon the subject lands to explore, dig, mine or extract limestone mineral resources.

If Nielson Construction, et. al., desires to pursue a limestone mineral lease with the Trust Lands Administration upon said Section 32 then please fill out and submit the application form that I recently gave to you. The application must be accompanied by advance payment of all of the fees, rentals and minimum annual royalties that we discussed.

Meanwhile, the Trust Lands Administration reserves the right to entertain any other proposals received for the extraction of limestone resources in the subject lands and to enter into agreements with other parties.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Wayne Hedberg

Utah!

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JUN 30 2005
DIV OF OIL GAS & MINING